WIC 5-Year Technology Plan
Fiscal Years 2001-2005

Introduction

In its Strategic Plan 2000-2005, FNS identified improved stewardship of federal funds as an important Agency goal, and MIS is a key area of focus. FNS has long recognized the importance of close federal oversight of WIC State agency systems due to the large federal investment in these systems. FNS oversight of system acquisitions is typically accomplished through the Advanced Planning Document (APD) review and approval process (see Attachment C for a description). Therefore, in addition to the current APD review process, FNS will review and update this technology plan periodically to ensure adequate attention is given to this important program area and to ensure the needs of WIC MIS are addressed on an on-going basis. FNS will continue to work with NAWD and other partners in this endeavor.

WIC MIS Goals & Objectives

Three broad automation goals have been identified for WIC MIS: (1) *improve customer service*, (2) *improve efficiency and effectiveness*, and (3) *ensure accountability and integrity in program operations*. Implementation of all the core functions in the State agencies where automation is lacking will better enable WIC to meet these goals and objectives. (Note: Some of the objectives below may relate to more than one goal. For example, elimination of paper certification forms, an objective under the first goal, will improve efficiency and also provide greater accuracy and accountability. Objectives are listed only once to avoid redundancy.)

Goal: **Improve customer service**

Objective A: Facilitate Coordination of Services With Other Programs. Automated systems should be used to refer individuals to other programs, as appropriate. To save time and avoid duplication, basic client information should be collected once and shared among programs. Where co-location of programs exists, WIC appointments should be coordinated with other programs. Both the WIC Program staff and clients may benefit from automated appointment reminders. Advanced technologies, such as smart cards or internet applications for electronic service delivery, may prove useful in

sharing client information among programs and medical providers.

Objective B: Improve Nutrition Services. Key to the success of the WIC Program is the nutrition services it provides to participants. Recognizing the benefits automation brings to this valuable aspect of the program, an important objective is to improve the collection and analysis of participant health, nutrition trends, demographics and service patterns.

Core Functions To Be Addressed Through This Goal:
1. *Track nutrition education contacts and topics covered.*
2. *Track referrals to other programs.*
Future Core Functions:[1]
- *Automated dietary assessment.*
- *Automated growth chart plotting.*

Goal: Improve efficiency and effectiveness

Objective C: Streamline Participant Processing. Automation should be used to free local agency staff from routine tasks, such as identifying participants whose certification period is due to expire, and complex tasks, such as calculating an applicant's income eligibility. Systems should be designed to group family members within the system to facilitate transfers within the State, as well as appointment scheduling for the family. State agencies should make optimal use of workstations at the local level in order to: (1) reduce paperwork so less staff time is spent handling paper and filing forms, and (2) allow participants to spend more quality time interacting with staff and less time overall at the clinic.

Reducing the time participants spend at the clinic enables WIC to serve more participants on a daily basis. It also facilitates service delivery because many WIC participants who work have limited free time. In recognition of the special needs of those who work, many WIC sites now offer extended hours of operation. Shorter appointments and greater flexibility in scheduling appointments helps to promote client satisfaction and eliminate a potential barrier to participation.

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[1] The MIS workgroup identified some functions they considered to be important for automation, but particularly difficult or costly to implement. The workgroup felt that State agencies should incorporate these "future core" functions in the future, when possible. The use of the words "core" and "future core" to describe these functions is currently under review by FNS and is subject to change.

Objective D: Improve Benefit Issuance Process. State agencies can reduce the work associated with benefit issuance by reducing the number of food instruments that must be managed. When food instruments are produced in advance, they must be voided if the participant fails to show up for pickup. Each voided food instrument must be identified as either voided due to error or voided due to non-pickup. Unclaimed food instruments that have not been voided pose a security problem that must be addressed. Thus, the objective is to produce food instruments on-demand when the participant arrives at the clinic for food instrument pickup. Reducing the number of food instruments not only saves time, but also reduces associated food instrument costs.

Ultimately, the objective is to eliminate the need for paper food instruments altogether through Electronic Benefit Transfer (EBT). Included in this objective is the need to design an automated process that enables quick assignment and issuance of food packages that are nutritionally appropriate for each participant.

In addition to improvements in benefit issuance, EBT has other benefits as well. WIC participants prefer using the EBT card to paper food instruments, and they enjoy the flexibility of shopping several times throughout the month rather than having to purchase all foods on the food instrument at one time. In the paper system, the monthly food prescription must be redeemed in its entirety while the participant is shopping. If the participant does not purchase some of the foods, those foods are forfeited. Purchasing all of the foods prescribed on a food instrument may present a problem for participants who must use public transportation to get home with their purchase or who lack adequate refrigeration and/or storage. With EBT, all of the foods are issued on the card and participants can shop as many times as they like during the month, without risking spoilage or forfeiture of WIC foods.

Core Functions To Be Addressed Through This Goal:
1. *Calculate certification expiration date.*
2. *Assign nutritional risk and priority status.*
3. *Calculate income eligibility.*
4. *Associate family members within system.*
5. *Enable statewide transfer of certification.*
6. *Create food prescription.*
7. *Issue benefits on-demand.*

8. Transmit certification data electronically.
Future Core Functions:
- *Document source of income.*
- *Enable point of certification data entry.*

Goal: Ensure accountability and integrity

Objective E: Improve Accuracy in Funds Management. This objective places emphasis on the importance of automated systems in ensuring accuracy and accountability in the area of funds management. Systems must be able to reconcile each food instrument redeemed to a valid issuance record and a valid participant record. The system must flag food instruments that exceed their maximum State-allowed value. Systems should also track food and NSA expenditures to ensure that funds expended are within authorized levels. Due to the volume of food instruments processed daily, the lack of automation in this area makes timely financial and management decisions much more difficult.

Objective F: Improve Data Collection and Analysis for Program Management Purposes. This objective ensures reporting needs are met. The following standard reports are instrumental to integrity efforts, accountability, and funds control: dual participation reporting, vendor management reports, rebate billing reports, participation reports, and participant characteristics datasets. In addition, ad hoc reporting is needed at the State and local level for ease in retrieving information.

Objective G: Provide Adequate Vendor Information to Ensure Program Integrity. An intrinsic part of retail vendor management is the ability to associate each food instrument redeemed with the redeeming retail vendor and to stratify redemption data in order to identify patterns of abuse among grocers. Due to the large volume of food instrument and redemption data processed daily, automation of this function is critical and needed to ensure program integrity.

Core Functions To Be Addressed Through This Goal:
1. Perform reconciliation of food instruments.
2. Provide dual participation report.
3. Provide The Integrity Profile (TIP) report.
4. Provide rebate billing report.
5. Provide participation report.
6. Provide participant characteristics datasets.
7. Identify redeeming vendor.

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8. *Enable high-risk vendor detection.*
9. *Provide price editing for excessive charges.*

Future Core Functions:
- *Enable ad hoc reporting.*

SUMMARY OF GOALS AND OBJECTIVES. It is important to ensure that WIC receives the most functionality from its MIS investments. This Plan focuses on MIS improvements, as this is the area of greatest need at this time. However, new technologies need to be continually explored and tested for potential application and cost effectiveness in WIC service delivery.

Proposed Strategies for Achieving Goals

In order to achieve the goals and objectives outlined, several strategic planning meetings were conducted to discuss MIS issues and to identify possible solutions to these issues. About ten State representatives from the NAWD technology committee and several FNS regional and headquarters program managers attended the first meeting. The focus of this meeting was on possible strategies to alleviate shortfalls experienced by State agencies in funding MIS. Among other things, the need to promote system transfers as a cost containment strategy was discussed, as well as the benefit of joint procurements. The group acknowledged that, while funding for new systems is a concern, the ability to spend any new funds that might become available would be dependent upon the availability of contractors to perform the needed work. (Historically, the number of contractors that generally bid on WIC systems has been relatively small.). The development of a central fund for MIS was proposed during this meeting, but rejected because State Directors believed this would only serve to take funds from other program areas where funding is equally important.

The second workgroup meeting was a brainstorming session to more specifically identify possible procurement, funding and technology strategies. Representatives from approximately 20 State agencies attended (including State Directors and NAWD technology committee representatives) and FNS regional and headquarters program managers. A strategic planner was hired to facilitate the meeting.

Several suggestions from these meetings were adopted in the FNS action plan; some will have cost implications and therefore need to be carefully explored. Some of the suggestions would require legislative changes; others were not acceptable to NAWD or FNS for various reasons. For example, it was proposed that the funds set aside for nutrition education and breastfeeding promotion and support be redirected to MIS and that States provide a match in funds to pay for MIS. A complete list of the various proposed strategies is provided at Attachment D.

Finally, it was decided that the 5-year plan should include a strategy for funding MIS within the current budget as well as a plan for spending additional funds should they become available. These two concepts are addressed in the FNS Action Plan that follows.

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**Action Plan
for Fiscal Year
2000 - 2005**

The FNS national office, in consultation with its Regional Offices and the MIS Workgroup, has developed the following action plan, which takes into consideration State agency system needs, priorities developed by the MIS workgroup, and possible strategies for meeting MIS goals. This plan recognizes the limited resources available to State agencies for MIS, as well as the limited resources available to FNS to assist State agencies in pursuing MIS initiatives. The extent to which the goals and objectives above can be accomplished within a given time period, i.e., 5 years, 10 years, etc., is dependent upon the funds available for MIS and the availability of contractors to perform the needed work.

Procurement Plan. Several initiatives have been identified for implementation and/or exploration to help State agencies procure new systems. These initiatives are outlined below.

❑ Issue Policy and/or Guidance on MIS Procurements. FNS will issue policy and/or guidance to Regional Offices to:

➢ Encourage transfer of systems or system components where it is technologically and financially advantageous.
➢ Encourage incorporation of core functions when systems are replaced or modified.

➞ Encourage system integration and cost-sharing with other programs and outside organizations.

➞ Continue to promote use of operational adjustment (OA) funds for MIS (see Attachment B for OA funds description).

❑ <u>Explore Development of Model MIS System(s)</u>. FNS will explore the possibility of making available one or more model MIS systems and national standards for distribution to State agencies. This could include standard system features and/or data elements. Some standards already exist such as the specifications for reporting participant characteristics. Possibilities for achieving greater standardization, while continuing to allow for State agency flexibility, will be explored. This item is dependent upon the availability of funds and expertise and the willingness of State agencies to adopt a model MIS system.

❑ <u>Explore Ways to Facilitate Multi-State Procurements</u>. FNS will further explore ways to facilitate multi-state procurements through discussions with NAWD. Suggestions include:

➞ FNS could certify the functionality of specific system(s) as approved by FNS for purchase with WIC funds, so that State agencies could negotiate software modification costs rather than going for a competitive bid. More and more State agencies are adopting technical services protocols in which bidders are pre-certified through a competitive process and then interested State agencies are able to negotiate actual deliverables based on actual needs.

➞ Research the possibility of legislative and/or regulatory changes or establish policies that would facilitate multi-state procurements.

Technical Plan. FNS has identified the following initiatives to help State agencies on the technical aspects of MIS.

❑ <u>Reexamine MIS Survey Instrument</u>. FNS periodically surveys State agencies on their MIS systems and produces Profiles of WIC State Agency Information Systems. The Profiles cover system costs, functions performed, short and long-term goals, system hardware and software used.

These profiles are widely distributed to systems contractors and consultants interested in WIC procurements. The survey instrument will be reexamined to ensure that it provides the key information needed to analyze cost trends and to track State agency progress in implementing the core and future core functions, as these functions are directly related to MIS goals and objectives. Data that might help identify systems for possible transfer will be identified. Baseline data will be collected in fiscal year 2001 and at 3-year intervals thereafter. FNS will explore the use of the internet for sharing MIS cost information.

❑ Provide Guidance and Technical Assistance to State Agencies on MIS Development.

➢ Issue Updated FRD Guidance. A document entitled *Functional Requirements Document (FRD) for a Model WIC System* was prepared in 1990 and is currently being updated through contractual arrangements. State agencies use this document as a "blueprint" for MIS development and have found it useful in preparing Requests for Proposals for potential MIS contractors. It will include the core MIS functions and address cost and transfer issues. The FRD will be widely circulated and available on the internet in FY 2001.

➢ Encourage Technical and Programmatic Standards to Facilitate System Transfer. The FRD will contain a narrative portion devoted to design considerations useful for system transfer. In addition, the FRD will contain a data dictionary and commonly used datasets including: dataset specifications for various reports (The Integrity Profile and the Participant Characteristics Study); and standard data required by the Immunization Program.

➢ Conduct National and Regional Meetings. FNS periodically conducts national conferences which bring together State agency directors and their information technology staff with industry representatives and WIC system contractors. These meetings provide an opportunity for useful information exchange and networking, and enable State agencies to obtain technical assistance. FNS will plan a technology conference to be held in 2001 and encourage periodic

regional meetings for discussion of MIS issues. FNS will work with the NAWD technology committee to ensure that important MIS topics are covered and appropriate speakers are obtained at both regional and national meetings, as feasible.

➢ Support State-to-State Travel for Sharing MIS Expertise. As funds permit, FNS will provide travel funds for State agency MIS experts to travel to other State agencies to provide technical assistance.

➢ Provide Technical Assistance and Support Through Management Evaluations and Contractor Assistance. FNS will continue to provide State agency technical assistance through the management evaluation review process. FNS Regional Office staff with WIC MIS knowledge and expertise can provide valuable advice and assistance to State agencies in their MIS development efforts. In addition, FNS will explore the possibility of developing task orders from existing FNS contracts to provide experts who can troubleshoot MIS problems and offer advice and recommendations to a State agency as the need arises.

Funding Plan. The following initiatives may help to alleviate State agency funding pressures, i.e., competing priorities for limited NSA funds, the decline in in-kind contributions from nonprogram sources, the stable funding environment, as well as the increase in the cost of new system acquisitions. The plan also offers an estimate of the funds that would be needed to address core function deficiencies and an estimate of how soon this could be accomplished.

❑ Develop and Implement a System Replacement Plan. The bulk of MIS expenses (about 75 percent of MIS costs) are for on-going operations and maintenance, including hardware replacement, MIS salaries, and banking services. It is not possible at this time to reasonably estimate the funds that would be needed to adequately fund the significant operational and maintenance cost increases that State agencies will likely experience over the next 6 years that are associated with new system acquisitions that use advanced technology. However, the MIS workgroup has

estimated it may cost somewhere between $146.5 million and $266.5 million (see chart below) to enable automation of the core functions in those State agencies with deficient systems.[2]

These figures represent the estimated cost of implementing a new system in the 49 State agencies that lack automation of one or more core functions. With these additional funds, core functionality could be achieved in approximately 6 years. Without these funds, implementation of core functions will take much longer.

Estimated Funds Needed to Purchase 49 Systems*				
State Agency Size (based on staff)	Estimated Cost Per System (in millions)	Number of Systems Needing Modification	Total Estimated Cost Range (in millions)	
			Low	High
Large	$10-20	6	$60.0	$120.0
Medium Large	$4-6	10	$40.0	$60.0
Medium Small	$2-4	20	$40.0	$80.0
Small	$0.5	13	$6.5	$6.5
Total for 6 Years		49	$146.5	$266.5
Approx. Avg. Per Year		8	$24.4	$44.4

*Operating Costs Not Included

Regardless of whether WIC receives additional funds, FNS will develop a system replacement plan that identifies States in need of a new system based on core function deficiencies as well as other factors, including age and readiness for system procurement.

❑ Explore Legislative Changes.   FNS will explore legislative changes which would allow greater flexibility in the distribution of funds among State agencies and FNS Regional Offices. This might include the expansion of spend forward authority to pay for MIS expenses.

❑ Explore Partnerships With Outside Organizations. FNS will further explore the possibility of partnering with the

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[2] After meeting with systems experts to obtain advice on the cost of modifying systems to perform core functions, it was decided that system *modification* just to enable core functionality would be costly to pursue. Therefore, funds estimates are based on the assumption that automation of core functions would, for the most part, be accomplished when systems are *replaced*. The estimated cost range provides ballpark figures that take into consideration the recent cost of new system acquisitions and the number of states whose costs may be similar based on comparable size (i.e., the number of local staff who provide direct services to clients).

Maternal and Child Health Program, the Immunization Program and Medicaid to jointly fund system development projects where these program operate in conjunction with WIC. For example, the Department of Health and Human Services, Health Resources and Services Administration (HRSA) recently announced a $1 billion initiative over a 5-year period to develop systems to address the needs of the uninsured. There may be opportunities for greater coordination in those agencies where funds are awarded from HRSA.

❑ Explore State Funding for MIS Development. Unlike the majority of federally funded programs, there is no State match requirement for funding WIC system development activities or any other administrative costs. Options regarding a State match of funds will be explored. Other possible State funding options will also be explored.

Summary

In summary, the WIC 5-Year Technology Plan addresses many of WIC's information system challenges in several ways. The Technology Plan includes, among other things, a system replacement plan, improved cost reporting and information sharing, guidance and technical assistance to State agencies on MIS, and a commitment to explore several procurement initiatives and funding possibilities. The Plan will put WIC on the road to greater system functionality and FNS will track and monitor the achievement of MIS goals and objectives over time.